

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“Development Agreement”) is executed and effective on July 28, 2025, by and between RED EGRET, LLC, a Delaware limited liability company and the CITY OF TEXAS CITY, TEXAS, a municipal corporation and home-rule city of the State of Texas (the “City”).

RECITALS

A. Developer intends to acquire an approximately ___ acre tract of real property located in Galveston County, Texas, more fully described on Exhibit “A” attached hereto and incorporated herein (the “Property”).

B. Developer intends to utilize the Property to develop a 300 MW/600MWh Battery Electric Storage System (BESS) project in accordance with the zoning code and all applicable City codes and ordinances.

C. Developer and the City acknowledge that the Property is in the process of a zoning change from District H Heavy Industrial to District S-P Site Plan, and which zoning change is contingent upon Developer entering into and performing the obligations undertaken in this Development Agreement.

D. At its regular meeting on July 7, 2025 the Planning Board did approve a Development Plan for the Property subject to zoning change from District H Heavy Industrial to District S-P Site Plan and conditioned upon the execution of this Development Agreement and the performance of the conditions contained herein.

E. The City has determined that agreeing to the terms set forth in this Development Agreement will further the objectives of the City and will benefit the City and the City’s inhabitants, and will promote local economic development and stimulate business in the City.

AGREEMENT

NOW, THEREFORE, for and in consideration of the recitals set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the Developer and the City contract and hereby agree as follows:

1. **Obligations of the Developer.** Developer hereby stipulates and agrees to perform and fulfill the following obligations as a condition of and for the above reference zoning change and approvals:
 - 1) Posting of financial security reasonably satisfactory to the City for the commissioning and decommissioning of the project as follows:
 - a. Provide a Decommissioning Bond, with the Applicant as the Principal and the instrument shall run to the City, as obligee, and shall become effective on or

before the beginning of operations at the site and shall remain in force until the property is fully decommissioned. The amount shall be based on a Professional Engineer's signed and sealed estimate of current costs to decommission the site, at build-out, with an adjusted inflation rate based on the average CPI over the last 10 years from the U.S. Bureau of Labor Statistics.

- b. If approved by the Mayor on a case by case basis, a bond, letter of credit or other financial security in the amount specified hereinabove in a form acceptable to the City Attorney and the City Engineer may be provided in lieu of a Decommissioning Bond.
 - c. The bond or other security shall remain fully enforceable and in effect so long as the BESS system exists at the site, without regard to whether it is operating or operational.
- 2) Installation of three (3) 30,000-gallon water tanks on the site at locations approve by the Fire Marshal, to be replaced by connection to a public water source if and when such source becomes available to the site.
 - 3) Landscaping improvements and requirements for platting and access to public utilities to be deferred until other development is approved within 500ft of the Property, provided the existing suitable vegetation shall be retained and maintained to provide screening of the project until future installation of the required landscaping improvements.
 - 4) Private access easements in form and content acceptable to the City to be allowed for 25ft paved access suitable for the ingress and egress of emergency response and public safety vehicles.
 - 5) Security fencing and screening acceptable to the City to be installed around the project, which shall consist of no less than pre-cast concrete panels. Specific plans and specifications to be reviewed and approved through the building permitting process.
 - 6) Posting of financial security for the maintenance of access during construction and direct payment for the repair and restoration satisfactory to the Director of Public Works of any damage caused by the project related construction traffic to public streets.

2. **Multiple Counterparts.** To facilitate execution, this Development Agreement may be executed in as many counterparts as may be convenient or required, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. It shall not be necessary that the signature or acknowledgment of, or on behalf of, each party, or that the signature of all persons required to bind any party, or the acknowledgment of such party, appear on every counterpart.

3. **Successors and Assigns.** This Development Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, representatives, administrators, successors and assigns.

4. **Further Acts.** Developer agrees that it will at any time and from time to time do, execute, acknowledge and deliver any and all such further acts, bills of sale, transfers, assignments, assurances, documents, instruments and agreements as the City shall reasonably request to effect the Development Agreement with respect to the Property.

5. **Governing Law.** This Development Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

6. **Modification.** This Development Agreement shall not be modified, except in writing executed by both parties hereto. IN WITNESS WHEREOF, the parties hereto have executed this Development Agreement in multiple copies, each of equal dignity, as of the date first provided above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date first given above,

Developer:

RED EGRET LLC.

a Delaware limited liability company

BY:  _____
Andrew Waranch (Jul 28, 2025 16:13:56 EDT)

Andrew Waranch, Manager

CITY OF TEXAS CITY

By: _____
Mayor

ATTEST:

APPROVED AS TO FORM:

City Secretary

City Attorney

(SEAL)